

REMARKS

Claims 1-6, 8-13 and 15-18 are currently pending. Applicants acknowledge with appreciation the indication that claims 15-18 have been allowed and that claims 3-6, 10 and 11 contain allowable subject matter. In response to the Examiner's suggestion, claims 3, 4, 10 and 11 have been placed in independent form, thereby placing claims 3-6 and 10-14 in allowable for reasons of record. The recitations of claims 7 and 14 have been added to independent claims 1 and 8, respectively. Minor changes have been made to the specification. The change in the last line of page 13 is supported by the second line of page 14.

In the Office Action, the Office rejects claims 1, 2, 7, 8, 9 and 14 under 35 U.S.C. §102(e) as allegedly being anticipated by the de Queiroz patent publication (U.S. Patent Application Publication No. 2004/0015697) and a rejection of claims 12 and 13 under 35 U.S.C. §103 as allegedly being unpatentable over the de Queiroz patent publication in view of the Bruekers patent (U.S. Patent No. 6,778,965). These rejections are respectfully traversed.

In reviewing the de Queiroz patent publication, and in particular paragraph 0038 cited in the Office Action, Applicants note that there is no disclosure regarding the packaging into a hierarchical structure *side information corresponding to a plurality of layers and a plurality of encoded quantization samples*. The passage in paragraphs 0037 and 0038 include the statement the JPEG compression techniques shown in the diagram include sub-bands obtained via hierarchical sub-band decomposition of the image. While hierarchical structure may be disclosed in the JPEG standard, there is no evidence of record that side information corresponding to a plurality of layers and a plurality of encoded quantization samples are packaged

into the hierarchical structure. Should the Examiner be aware of additional information in this regard, he is kindly asked to supply it. As it stands, however, the recitations of amended claims 1 and 8 are neither met nor suggested by the applied art.

As to the Bruekers patent, the Office relies upon it for allegedly teaching Huffman and arithmetic coding. As such, the Bruekers patent would not provide the missing teachings identified above even if one were to assume *arguendo* that the combination suggested in the Office Action was appropriate.

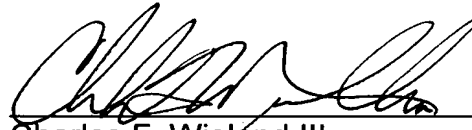
In light of the foregoing, Applicants respectfully request reconsideration and allowance of the application. Should any residual issues exist, the Examiner is invited to contact the undersigned at the number listed below.

Respectfully submitted,

BURNS, DOANE, SWECKER & MATHIS, L.L.P.

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By:



Charles F. Wieland III
Registration No. 33,096

P.O. Box 1404
Alexandria, Virginia 22313-1404
(703) 836-6620